

News Release

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FOR IMMEDIATE RELEASE

Goddard announces victory against R.J. Reynolds in suit over "Winston Cup" outdoor advertising

(Phoenix, AZ – September 10, 2003) Arizona Attorney General Terry Goddard announced today that the State has prevailed against R.J. Reynolds Tobacco Company in the Arizona Court of Appeals in a suit accusing Reynolds of violating the advertising restrictions of the tobacco "Master Settlement Agreement" (MSA) in connection with Reynolds' "Winston Cup" advertising.

The Court of Appeals affirmed a ruling of the Superior Court, which had enjoined Reynolds from placing its "Winston Cup" outdoor advertising at Phoenix International Raceway (PIR) at all times other than 90 days before and 10 days after the Winston Cup races at the site.

"This is a tremendous victory in the State's ongoing efforts to enforce the MSA's restrictions against marketing tobacco to minors and a victory for every Arizonan concerned about the health of their families," said Goddard.

The MSA, which was signed by Reynolds and other major tobacco companies in 1998, restricts tobacco companies' outdoor "Brand Name Sponsorship," such as the NASCAR Winston Cup Series, to a narrow window of 90 days before and 10 days after the sponsored events at the site. Reynolds wanted to leave its "Winston" signs up year-round at each and every Winston Cup site in the country, including the PIR. The Court of Appeals found this violated the language and intent of the MSA.

"If the Court had accepted Reynolds' position," said Goddard, "thousands of young people who attend non-sponsored events at Phoenix International Raceway, as well as millions of viewers who watch other televised events at NASCAR sites, would be exposed to Reynolds' pro-tobacco advertising."

Assistant Attorney General Craig Soland, who argued the case, noted that "the Court came out solidly in support of the State's view, upholding not only the State's interpretation of the language of the MSA, but rejecting Reynolds' attempts to divorce the language from the MSA's stated purpose of 'reducing underage tobacco use' and promoting the 'public health'."

"This is a victory for Arizona kids," said Goddard. "We are sending a strong message that the MSA means exactly what it says."